Research Plan

Proposed Topic: PERFORMANCE EVALUATION AND INVESTOR'S SATISFACTION: A STUDY OF SELECTED BANKS' SPONSORED MUTUAL FUNDS

By

Meena Sharma

Enrollment No. 120637

Submitted under the supervision of

Supervisor: **Dr. Manish Didwania**

Co - Supervisor: **Dr. D. Suresh Kumar**

College of Business Management, Economics and Commerce

Lakshmangarh

Performance Evaluation and Investor's Satisfaction: A Study of Selected Banks' Sponsored Mutual funds

1. INTRODUCTION

Mutual funds are primarily designed to pool resources of common man and channelize it into the capital markets. The mutual fund industry is a fast growing sector of the Indian Financial Markets. They have become major vehicle for mobilization of savings, especially from the small and household savers for investment in the capital market. Mutual funds entered the Indian capital market in 1964 with a view to provide the retail investors the benefit of diversification of risk, assured returns, and professional management. Since then they have grown phenomenally in terms of number, size of operation, investor base and scope. Mutual funds are professionally managed and there is transparency in investment strategy adopted, individual investors are expected to benefit from such investment. As on 31 december 2016 in mutual fund industry, with about 42 players and more than two thousand schemes, with different objectives, is one of the most preferred investment avenues in India. However, with a overabundance of schemes to choose from, the investors faces problems in selecting funds. Factors such as investment strategy and management style are qualitative, but the funds record is an important indicator too. Though past performance alone can not be indicative of future performance, the only quantitative way to judge how good a fund is at present. Therefore, there is a need to assess the past performance of different mutual funds. Performance evaluation of mutual funds has always attracted the interest of researchers as well as fund managers.(Kashiramka et al., 2016; Hili et al., 2016)

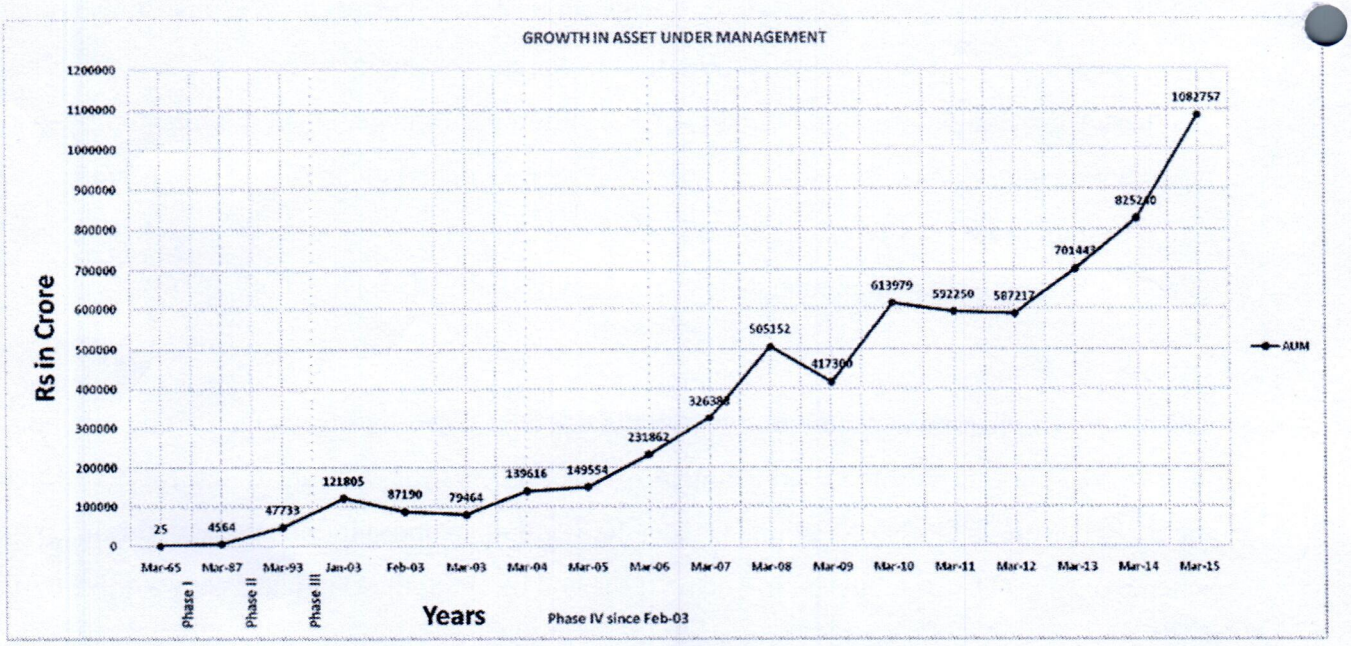
1.1 History

The history of the mutual fund industry in India can be divided into four phases. The first phase (1964–1987) began with the establishment of the UTI in 1963. Set up by the Reserve Bank of India (RBI), the UTI also functioned under its regulatory and administrative control. The first scheme of the UTI was launched in 1964. At the end of 1988, the UTI had assets worth ` 670,000 million under its management. The second phase (1987–1993) saw the entry of the public sector,

mutual funds set up by public sector banks, Life Insurance Corporation (LIC), as well as the General Insurance Corporation (GIC). At the end of 1993, the mutual fund industry had assets of 470,040 million under its management. During the third phase (1993–2003), the private sector funds entered the fray in 1993. The former Kothari Pioneer (now merged with Franklin Templeton) was the first private sector mutual fund registered in July 1993. At the end of January 2003, there were 33 mutual funds with total assets of 1,218,050 million. The fourth phase (since February 2003) began with the repeal of the UTI Act 1963 in February 2003. With the bifurcation of the UTI and with the setting up of a UTI Mutual Fund set up as per SEBI Mutual Fund Regulations, and with mergers taking place among different private sector funds, the mutual fund industry has entered its current phase of consolidation and growth.

1.2 Current status of mutual fund industry in India

Average Assets Under Management (AAUM) of Indian Mutual Fund Industry for the month of November 2016 has crossed ₹ 16.94 lakh crore, while the Assets Under Management (AUM) as on November 30, 2016 stood at ₹16. 50 lakh crore… the highest ever AAUM/ AUM, so far.The AUM of the Indian MF Industry has grown from ₹ 3.26 trillion (31st March 2007) to ₹ 16.50 trillion (30th November, 2016), which is the highest AUM ever. A fivefold increase in a span of less than 10 years. The MF Industry's AUM has more doubled in the last 4 years from ₹ 5.87 trillion as on 31st March, 2012 to ₹ 12.33 trillion as on 31st March, 2016 The Industry's AUM had crossed the milestone of ₹10 Trillion (₹10 Lakh Crore) for the first time in May 2014 and in a short span of two and half years, the AUM size has crossed ₹16. 50 lakh crore last month.



Source: AMFI

Mutual Funds Market in India is expected to be worth INR 25.51 trillion in terms of AUM (assets under management) by 2020 Indian mutual funds market is expected to grow at a CAGR of 14.97% by 2020. This growth is driven by India's rapidly increasing self-improving middle class population, increase in per capita income of urban India with considerable amount nonrefundable income and increasing participation of women in the workforce which in turn has given rise to the count of dual income households. (NOVONOUS, 2015)

1.3 Types of Mutual Funds in India

A wide variety of mutual fund schemes exist to cater to the needs of investors such as risk tolerance and return expectations, etc. An overview into the existing types of schemes in the Industry is given below:

a. BY STRUCTURE

1.1 Open-Ended Schemes

1.2 Close-Ended Schemes

1.3 Interval Schemes

b. BY INVESTMENT OBJECTIVE

2.1 Growth/Equity/Diversified Schemes

2.2 Income/Debt Schemes

2.3 Balanced Schemes

2.4 Money Market Schemes

c. OTHER SCHEMES

3.1 Tax Saving Schemes (Equity Linked Saving Scheme-ELSS)

3.2 Gilt Funds

3.3 Index Funds

3.4 Sector-Based Classification

3.5 Exchange Traded Funds (ETFs)

3.6 Gold Exchange Traded Funds (GETFs)

3.7 Fund of Funds (FOFs)

1.4 Need for the study:

Indian mutual fund industry is featured by a plethora of schemes consisting of varying portfolio mix, investment objectives and expertise of professional fund management. For the small investor, choosing a suitable one is a complex decision. As risk is commensurate with return, therefore , providing maximum return on the investment made within the acceptable associated risk level helps in demarcating the better performers laggards. hence this research is modest effort to analyse performance of selected schemes for past twelve years so as find good efficient and superior performing schemes, inaddition to know the investors satisfaction and brokers perception towards the mutual fund investment because Customer satisfaction is the key for any service organization, only satisfied investors will stay invested with the organization and recommend others to invest in particular scheme or fund. Another reason why mutual funds are so particular about investor satisfaction is that investor life time value to the organization is very crucial. Brokers are intermediare so their perception about the mutual funds is help to investors. Studying and evaluating the past performance of mutual funds is essential to the investors, AMCs, advisors/agents and prospective investors to invest, to get knowledge and help in selecting mutual funds etc

2. REVIEW OF LITERATURE

In recent years , only a few studies have evaluated the performance of mutual funds (Kashiramka et al.2016). The methods used for performance evaluation have been either parametric or non parametric approaches. Studies that employed parametric approach to performance evaluation of mutual funds include methods such as abnormal return measures or reward to volatility indices (Treynor 1965, Sharpe 1966) as in Romacho & Cortez (2006).

Sr.no.	Author	Focus	Findings
1.	Hili et al. (2016)	Examined performance of US 137 equity funds over the period January 2004 to December 2014, which are then grouped into equally weighted portfolios according to the scheme's origin.	The findings show that large-sized equity portfolios have the lead over the medium and small-sized competitors, whilst the high cost and mature collective investment vehicles enjoy an alpha which although is negative is superior to their peers.
2.	Kashiramka, S., Jain, P.K & Bhatia, N. (2016)	To Evaluate the relative efficiency of sixty Indian mutual funds under three categories namely Equity, Debt and hybrid fund using DEA	Majority of funds are inefficient; most efficient category is hybrid fund category
3.	Arora, K. (2015)	The study evaluates 100 Indian mutual funds schemes during the period 2000 to 2008 using risk adjusted measure	The findings suggest that the overall performance of mutual fund schemes during the study period was mixed.
4.	Matos,P., Padiha, G., Benegas, M. (2014)	Analyze the management efficiency of stock mutual funds in Brazil taken 59 active mutual fund category from 2005 to 2009	The efficiency was more heterogeneous in the year of 2008, with nearly 30% of the funds on the frontier and higher levels of inefficiency.
5.	Babalos (2014)	Analyze the 500 US equity mutual funds over the period 2003–2010	Return was found more important in a longer horizon setting, whereas risk was the decisive factor in short evaluation horizons.
6.	Chawla D (2014)	431 sample chosen to understand the mutual fund buying behavior of the indivisual investors.	Identifies the various attrib-utes that investors consider important while investing in mutual fund
7.	Tsolas (2014)	Analyzed 62 precious metal mutual funds. DEA and Tobit methods were used to evaluate fund performance.	Only four funds turned out to be efficient and there was no scope for efficiency improvement for rest of the funds
8.	Afshan, N. (2013)	To measure the relative performance of mutual fund dividend and growth plan under balanced category for the year 2009 to 2012 using DEA.	The both types of funds has increased over a period of time and some of the firms remained 100% efficient during the period of study.
9.	Hou (2012)	examined the return persistence and investors' timing ability of 200 domestic equity mutual funds in Taiwan between 1996 and 2009.	It emerged that the funds that had performed well in the previous year continued to do so in the following year. However, investors' timing performance was negatively

			related to fund performance.
10.	Karthikeyan et al	examines the investors' perception towards mutual fund products through banks in Tiruchirappalli, Tamil Nadu (India)	It is found that some of the factors like competitive product, communication, safety, emergency need fulfilment, financial requirements, service quality, changing of fund preferences and return on investment
11.	Watson and Funck (2012)	investigated the trading behaviour of short-term seller and found an increase in short selling with the level of cloudiness	They found a decrease in short selling three days prior to a cloudy day.
12.	Zhao and Yue (2012)	Implemented a multi subsystem fuzzy DEA model to asses 32 mutual funds asset management companies in China.	Those companies display relatively high skills for the most part, but competences differ a lot among themselves in marketing and service, and weak in investment research
13.	Babalos, V., Philippas, N., Doumpos, M., Zopounidis, C., (2011)	Examined Greek equity based funds for the productivity and efficiency evaluation using DEA over the period 2003 to 2009	A large number of funds experienced significant losses. It was observed asset size had a negative effect on funds of being efficient
14.	Alexakis and Tsolas (2011)	Evaluated 15 of natural resources exchange traded funds over the period 2008-2010.	It was found that 8 funds turned out to be efficient.
15.	Soongswang & Sanohdontree (2011)	The funds' performances were examined whether the returns significantly and persistently out-perform the market	found varied outcomes. Some authors enhanced a new vein of research seeking to analyze the relationship between funds' performance and their attributes
16.	Zhao (2011)	Suggested two models using DEA for assessment of mutual funds performance	Conclusion of the study was the ranking of mutual funds in China primarily depends on system risk control.
17.	Lozano and Gutierez (2008)	Performed by using 108 mutual funds of Spain for the period of 2005 to 2008the approach involved six type of DEA- like linear programming methods	Input parameter taken was mean return whereas, risk observed as output
18.	Lin and Chen (2008)	Studied 78 American mutual funds for the period January 2001 to December 2003	It was observed that year 2003 had larger number of efficient funds as compared to years 2001 and 2002

19.	Allen and Parwards (2006)	Examined mutual fund investors' response to merger of Australian mutual fund companies.	hey found that mergers did not result in increased money flows. On the contrary, investors withdrew from target funds prior to and after the merger
20.	Daraio and Simar (2006)	Gave robust method for measuring the performance of the funds . the sample size of 3000 mutual funds of US was considered for the period 2001 to 2002.	It was observed that the economies of scale neither affected mutual fund's performance nor contributed to the unique structure of the fund
21.	Anderson et al. (2004)	Analyzed US based mutual funds of real estate. The sample size taken was from years 1997 (28 funds) and 2001 (110 funds).	It was found that the lack of operating efficiency of funds was caused by charges levied along with various loads that are deducted from the net return.
22.	Sengupta (2003)	Investigated the performance of 60 mutual funds from U.S the period was considered1988 to 1998	It was noted that more than 70 percent funds are highly inefficient
23.	Galagedera and Silvapulle (2002)	Examined a sample of 257 Austrelian funds for the period of five years from 1995 to 1999	DEA based result showed that more funds were efficient in shorter time horizons as compared to when the long term growth of funds and distribution of income was considered
24.	Murthi and Choi (2001)	This study combined the method of DEA and Sharpe ratio. A sample of 731 equity funds of U.S was considered	The result indicated thatover 90% of funds exhibited increasing returns to scale. This was mainly due to the turnover as well as load of the funds
25.	Basso and Funari (2001)	Sample of 47 mutual funds were used in categories namely equity, bond and balanced funds. The period for analysis was from 1997 to 1999.	It was observed that the ranking of funds had a significant impact on subscription and redemption costs
26.	McMullen et al. (1998)	Analyzed 135 stock funds based on DEA efficiency measure	The results revealed that only a small proportion of funds were efficient; the most popular funds,by and large, registered dismal performance.
27.	Sundar, S. (1998)	Conducted a survey to get an insight into the MF operations of private institutions with special reference to Kothari Pioneer.	The survey revealed that the awareness about MF concepts was poor during that time in small cities like Vishakapatnam.

28.	Murthi et al. (1997)	For evaluation of mutual fund performance. A sample of 2083 US equity funds were considered.	A significant correlation was observed between the efficiency score and Jensen's alpha for all the categories.

2.1 Research Gap

Based on above literature review reveled that need to the performance evaluation of indian mutual fund to other fund markets and different type of funds categories (Arora,2015) and its remains grossly unexplored in terms of efficiancy in comaparison to risk adjusted mesures (Babalos et al.,2012; Kashiramka et al, 2016). The literature cited above does not discuss the investment satisfaction of investors in mutual funds in the sense that no attempt is made to extract the important underlying factors of investment, their relative importance, their relationship with demographic variables and staisfaction with the mutual funds of Investors.

Therefore the attempt has been made by the researcher to study about the performance and growth of Public, Private and UTI bank's sponsored mutual funds in India. To evaluate one hundred sixty six open ended mutual fund schemes, four different style of mutual fund will be analysed, Further Investors satisfaction about mutual funds in Rajasthan is also considered to evaluate.

2.2 Research Objectives

- To analyse the performance of public, private and UTI companies, bank sponsored mutual funds
- To compare schemes return and risk with relative benchmark
- To study the investors satisfaction towards the mutual fund investment

2.3 Hypotheses of the Study

A. **H_0** : Mutual fund schemes do not perform effectively

H_{0a} : Asset size of the mutual fund schemes is not related to their efficiency

H_{0b} : Asset Ratio of the mutual fund schemes is not related to their efficiency

H_{0c} : Past performance of the mutual fund schemes is not related to their efficiency

H_{0d} : Risk of the mutual fund schemes is not related to their efficiency

B. **H_0** : High risk gives high returns for selected schemes

C. **H_0** : Past performance of the scheme does not have any significant relationship with

their current performance

D. H_0 : There is no significant difference in preferences for investment given by investors

E. H_0 : There is no significant difference in AMC preferences given by investors

F. H_0 : There is no significant relation between socio- economic factors and satisfaction level of investors

3. Research Methodology

In this section the researcher has explained the research methodology used which include attributes taken for analyzing mutual fund performance, data used, time period of the study, population, sample, and the tools and techniques employed for analyzing the data have been mentioned in detail.

3.2 Scope of the Study

To study the performance of mutual fund industry, a time period of 12 years (April 2005- March 2017) has been taken. Hence, all the 824 open ended mutual fund schemes that were operational on 1 April, 2005 are the population for the study and Investors satisfaction of mutual funds investment in Rajasthan

3.3 Research Design

The study, based on descriptive and exploratory in nature. which has been used the facts and information available (from April 2005 to March 2017) to analyze the stated problem critically.

3.4 Sampling Design

Secondary Data

Mutual fund investment is the one of the popular investment, which pool the savings of a large number of investors who share a common financial goal based on trust. As on 31st December, 2016, there were 42 Mutual fund companies registered with the Securities and Exchange Board of India. For the purpose of the present study, out of 42 mutual fund companies only Seven banks sponsored mutual fund companies are selected for analysis the performance of banks sponsored mutual funds in India. There are three mutual fund companies have been selected from public and private banks on the basis of the following 1. Bank sponsored mutual funds 2. High resource mobilization 3. High Assets under management of the fund houses and 4. Funds launched before

the year 2005 in addition UTI also has taken for the study, since the UTI is the beginner in mutual funds with a variety of schemes and having the highest average asset under management.

Total 2256 schemes available in the market Out of which 824 are open ended from that 166 open ended scheme have been selected for the study based on the schemes which has launched before 2005, the study consists of 12 years data i.e. 2005-06 to 2016-17. Further from 166 open ended schemes, 13 schemes under liquid category, followed by 64 schemes of Income category, 11 schemes on ELSS category and 78 growth schemes have been considered for the study. The study covers four investment style, namely liquid, Income, ELSS and Growth schemes has chosen on the basis of high contribution of Asset under management.

Primary Data

To study the satisfaction of Investors, the researcher will collect primary data with the help of the structured questionnaire.

Information from investors will be gathered by visiting the local registrars and AMC branches of mutual funds in Rajasthan. By making use of convinience sampling method 450 respondents will be selected to distribute the questionnaire.

At present the mutual fund industry has 5 types of constituents Viz; (a) the Sponsors, (b) the Trustee, (c) the Asset Management Company (AMC), (d) the Custodian and (e) the Investors. The following are the list of SEBI Registered Mutual Fund companies.

Table no. 1

(Rs ' in Crore)

Public Sector			
Joint Ventures predominately Indian Co.			
		Launching year	AUM
1.	BOI AXA Investment Managers Private Limited	2008	2896
2.	Canara Robeco Asset Management Company Limited	1987	9411
3.	SBI Funds Management Private Limited	1987	140,997
2. Joint Ventures – Predominantly Foreign			
4.	Baroda Pioneer Asset Management Company Limited	1994	10,785
3. Others			

5.	IDBI Asset Management Ltd.	2010	7761
6.	Union Asset Management Company Private Limited (formerly Union KBC Asset Management Co. Pvt. Ltd)	2011	3056
7.	UTI Asset Management Company Ltd	2012	129389
Institutions			
8.	IIFCL Asset Management Co. Ltd.	1994	399
9.	LIC Mutual Fund Asset Management Limited	2008	18022
Private Sector (Indian)			
10.	Edelweiss Asset Management Limited	2008	6826
11.	Escorts Asset Management Limited	1996	286
12.	IIFL Asset Management Ltd. (Formerly known as India Infoline Asset Management Co. Ltd.)	2011	995
13.	IL&FS Infra Asset Management Limited	2013	424
14.	Indiabulls Asset Management Company Ltd.	2011	10,226
15.	JM Financial Asset Management Limited	1994	13522
16.	Kotak Mahindra Asset Management Company Limited (KMAMCL)	1998	82135
17.	L&T Investment Management Limited	1997	35191
18.	Mahindra Asset Management Company Pvt. Ltd.	2016	1457
19.	Motilal Oswal Asset Management Company Limited	2009	7131
20.	Peerless Funds Management Co. Ltd.	2009	946
21.	PPFAS Asset Management Pvt. Ltd.	2012	676
22.	Quantum Asset Management Company Private Limited	2005	858
23.	Sahara Asset Management Company Private Limited	1996	67
24.	Shriram Asset Management Co. Ltd.	1994	38
26.	Sundaram Asset Management Company Limited	1996	27013
27.	Tata Asset Management Limited	1995	38271
28.	Taurus Asset Management Company Limited	1993	2339
Private sector (Foreign)			
29.	BNP Paribas Asset Management India Private Limited	2004	6032
30.	Franklin Templeton Asset Management (India) Private Limited	1996	75783

31.	Invesco Asset Management (India) Private Limited	2006	23617
32.	Mirae Asset Global Investments (India) Pvt. Ltd.	2007	6343
(Joint Ventures – Predominantly Indian)			
33.	Axis Asset Management Company Ltd.	2009	49281
34.	Birla Sun Life Asset Management Company Limited	1994	180808
35.	DSP BlackRock Investment Managers Private Limited	1996	58357
36.	HDFC Asset Management Company Limited	2000	221824
37.	ICICI Prudential Asset Mgmt.Company Limited	1993	227989
38.	IDFC Asset Management Company Limited	2000	57998
39.	Reliance Nippon Life Asset Management Limited	1995	195,845
(Joint Ventures – Predominantly Foreign)			
40.	HSBC Asset Management (India) Private Ltd.	2002	8,670
41.	Principal Pnb Asset Management Co. Pvt. Ltd.	1994	4,868
(Others)			
42.	DHFL Pramerica Asset Managers Private Limited	2010	24,807
	Total		1,693,339

Source: (Association of mutual funds in India, 29th November, 2016)

Table no. 2

Selected companies for the study

Sr no.	Mutual fund companies
Public	
1	Canara Robeco Asset Management Company Limited
2	SBI Funds Management Private Limited
3	Baroda Pioneer Asset Management Company Limited
Private	
1	HDFC Asset Management Company Limited
2	ICICI Prudential Asset Mgmt. Company Limited
3	Kotak Mahindra Asset Management Company Limited
UTI	
	UTI Asset Management Company Ltd

Source: Authors own representation

Table no. 3

Mutual Fund Schemes as on December 2016

Investment Style	Open ended	Close ended	Interval	Total
Income	255	1235	69	1559
Infrastructure debt fund	-	7	-	7
Equity	312	102	-	414
Balanced	30	-		30
Liquid/ Money Market	51	-	-	51
Gilt	41	-	-	41
ELSS	43	19	-	62
Gold ETFs	12	-	-	12
Other ETFs	51	-	-	51
Funds of Funds Investing Overseas	29	-	-	29
Total	824	1363	69	2256

Source: (Association of mutual funds in India, 29th November, 2016)

Table no. 4

Asset under management as on December 31, 2016

Category and Type

	Open ended	Close ended	Interval	Total	% of total
Income	599820	142215	6036	748071	45
Infrastructure debt fund	-	1856	-	1856	@
Equity	400866	18696	-	419,562	26
Balanced	64954	-	-	64954	4
Liquid/ Money Market	308,731	-	-	308,731	19
Gilt	16,937	-	-	16,937	1
ELSS	47,001	3112	-	50,113	3
Gold ETFs	5,519	-	-	5,519	@

Other ETFs	28834	-	-	28834	2
Funds of Funds Investing Overseas	1760	-	-	1760	@
Total	1474422	165879	6036	1,646,337	100

Source: (Association of mutual funds in India, 29th November, 2016)

Type and category wise mutual fund Schemes: Open Ended

Launched Before 2005

Style/Name	Baroda	SBI	Canara	ICICI	KOTAK	HDFC	UTI	**Total**
Liquid	2	2	-	-	3	3	3	**13**
Income	10	10	6	9	9	10	10	**64**
ELSS	1	2	2	-	-	3	3	**11**
Growth	2	16	6	15	6	16	17	**78**
Total	**15**	**30**	**14**	**24**	**18**	**32**	**33**	**166**

Type	Income	ELSS	Growth	Liquid	**Total**
Public	26	5	24	4	**73**
Private	28	3	37	6	**110**
UTI	10	3	17	3	**64**
Total	**64**	**11**	**78**	**13**	**166**

Source: Authors own representation

Schemes Selected for the Study

Investment Style	**Total Schemes**	**Percentage**	**Sample**	**Total**
Income	255	25 %	63.75	64
Liquid	51	25%	12.75	13
ELSS	43	25%	10.75	11
Growth	312	25%	78	78
Total	661	100	166	166

Source: Authors own representation

3.5 Data collection

Secondary data Collection: Some of the secondary data attributes as expense ratio are declared on a yearly basis. Therefore, for maintaining the unanimity, yearly data has been used. For calculating RISK (β) Bombay Stock exchange Sensex (BSE senses) Index has been considered as surrogate for market portfolio. A database used for collecting the data is the Alpha data base of CMIE, RBI Bulletin, Website of AMFI, Bombay Stock Exchange, Mutual fund companies and value research.

Primary Data Collection: In the second stage, primary data have been collected from individual investors. A sample of 450 individual investors will be selected for the study.

3.5.1 Attributes of sample data

Load Status (Load): A load fund is a mutual fund that comes with a sales charge or commission. The fund investor pays the load, which goes to compensate a sales intermediary, such as a broker, financial planner or investment advisor, for his time and expertise in selecting an appropriate fund for the investor. The load is either paid up front at the time of purchase, or a front-end load; when the shares are sold, or a back-end load; or as long as the fund is held by the investor, or level-load.

Expense ratio (Expenses): The expense ratio is a measure of what it costs an investment company to operate a mutual fund. An expense ratio is determined through an annual calculation, where a fund's operating expenses are divided by the average dollar value of its assets under management (AUM)

Minimum Initial Investment: Minimum initial investment is the minimum amount needed initially by the investors to invest in a mutual fund scheme.

Risk: Standard deviation or total risk of the portfolio (σ) systematic risk or beta (β) risk measure beta (β) have been used for analyzing the efficiency of fund schemes and standard deviation (σ) has been taken for analyzing the relationship of performance with attributes

Standard Deviation or Total Risk of Portfolio: Standard deviation (σ) represents the total risk of the portfolio. The (σ) of all the sample schemes has been calculated on the yearly returns.

Systematic Risk or Beta (β): Systematic risk is that component of total portfolio risk which is not controlled through the process of diversification. (β) of mutual fund schemes has been obtained through eq. (i) By using standard regression methodology.

$Rpt = \alpha p + \beta p\ Rmt + \dot{\varepsilon} p$ .....(i)

Where, Rpt = return on mutual fund scheme for the year t

Rmt is the return on the market index for time (t); (αp) represents the coefficient term

(βp) beta coefficient, the measure of sensitivity; (ἐp) is the error term

Age of the mutual fund schemes: Age has been calculated in years from the inception date of the mutual fund scheme till 31st March, 2016

Asset size: Asset size of a mutual fund is the market value of all the securities held in its portfolio. It has been computed by taking the natural logarithm of the mutual fund's assets

Asset ratio: Asset ratio of the mutual fund has been calculated as: Asset Ratio = Total Assets as on 31 March, 2011 The ratio above 1 indicates a positive and a ratio less than one indicates a negative asset flow

Risk Adjusted Return (SHARPE): Refines an investment's return by measuring how much risk is involved in producing that return, which is generally expressed as a number or rating. Risk-adjusted returns are applied to individual securities, investment funds and portfolios.

JENSEN's ALPHA: Jensen's Alpha, or just "Alpha", is used to measure the risk-adjusted performance of a security or portfolio in relation to the expected market return (which is based on the capital asset pricing model (CAPM). The higher the alpha, the more a portfolio has earned above the level predicted.

Past performance: is measured by Sharpe Ratio (Sp) - equation (ii) above as, $Sp = (Rp - Rf)/\sigma p$ Here, (Rp) and (Rf) have been calculated for the period from April, 2005 to March, 2016.

3.6 Tools used

1. Sharpe, 2. Treynor and 3. Jensen Measures.

2. Analysis of trends through percent changes for AUM.

3. Sharpe's Return based style analysis (RBSA)

4. DEA (Data Envelopment Analysis)

5. Discerptive statistics

6. Chi Square Tests

7. Factor Analysis

8. One Way ANOVA

4. LIMITATIONS OF THE STUDY

- The study would be considering the Satisfaction of mutual funds investors in Rajasthan. The results of this research may not be applicable to outside Rajasthan mutual funds investors.

- The study is confined to four different type (Equity, Debt, Money Market, ELSS) of mutual funds past performance for 12 years. Its Outcomes not applicable for other fund category.

5. SIGNIFICANCE OF THE STUDY

The present study focused on performance and growth of mutual funds in India. This research study shall help the investors select their investment on the basis of four styles like Liquid, Growth, ELSS and Income. This Study will indicate what type of funds is likely to give good returns over the style benchmarks. Thus, this study would help investors to invest money in Mutual funds. The research would reveal results regarding the investment satisfaction of various investors about mutual funds and thus may help the mutual fund organizations to identify the satisfaction level of various investors and to improve the marketing of mutual funds. The study will be of immense help and guidance to the government policy makers who are more keen in mobilizing savings in the country. The study will also be of use to the academic fraternity and lay public as well. It may be of good use to the future researchers who may venture into this topic.

6. ORGNISATION OF THESIS

The study has been divided into six chapters:

1. Chapter I : Introduction
2. Chapter II: Theoretical Background
3. Chapter III : Review of Literature
4. Chapter IV : Research Methodology
5. Chapter V : Analysis and Interpretation
6. Chapter VI : Suggetions and Conclusion

7. BIBLIOGRAPHY

1. Ankrim, M. (1998). Peer-Relative Active Portfolio Performance: It's Even Worse Than We Thought. *The Journal of Portfolio Measurement*, 6-11.
2. Bailey, V. (1992). Are Manager universes Acceptable Performance Benchmarks? *The Journal of Portfolio Management*, 9-13.
3. Ben, D. & Meier (2003). *Journal of Investment Management, Vol. (I)*, No.1, 94-113.
4. Bleiberg, S. (1986). The Nature of the Universe. *Financial Analyst Journal*, 13-14.
5. Brinson, G. Hood, R. & Beebower, G. (1986). Determinants of Portfolio Performance *Financial Analyst Journal*, 39-44.
6. Chen, Roll & Ross (1986). Economic Forces and the Stock Market. *Journal of Business, vol59*, No.3.
7. Guha, D. Banerjee & Chakrabarti (1996). Performance of Indian Equity Mutual Funds vis a vis their style benchmark: An Empirical Exploration", http://ssrn.com/abstract=962827, 1-17.
8. KPMG & CII, (2009) *Indian Mutual Fund Industry-The Future in a Dynamic Environment*, Outlook for 2015.
9. Jayadev M., (1996). Mutual Fund Performance: An Analysis of monthly Returns, *Finance India*, Vol *(X)* No. 1, 73-84.
10. Jensen, C. (1968). The Performance of Mutual Funds in the Period 1945-1964, *Journal of Finance*.
11. Jensen, C. (1969). Risk, the Pricing of Capital Assets and the Evaluation of Investment Portfolios, *Journal of Business*.

12. McDermott, J. (2010). Returns Based Style Analysis: An Excel Based Classroom Exercise, *Journal of Education for Business:85*, 107-113.
13. Miller, R & Gehr, (1978). Sample size bias and Sharpe's Performance Measure: A Note, *Journal of Financial & Quantitative Analysis*, 943-946.
14. Rekenthaler, Gamber, & Charlson, (2006). Estimating Portfolio Style in US Equity Funds: A comparative study of Portfolio Based Fundamental Style Analysis and Returns Based Style Analysis, *The Journal of Investing*, 25-33.
15. Roll, R. (1978) Ambiguity when performance is measured by the Securities Market Line. *Journal of Finance*, 1051-69.
16. Sharpe, F. (1992) Asset Allocation: Management Style and Performance Measurement, *Journal of Portfolio Management*, 7-19.
17. Sharpe, F. (1988). Determining a Funds Effective Asset Mix, *Investment Management Review*, 59-69.
18. Sharpe, W. (1966). Mutual Fund Performance, *Journal of Business*, 39
19. Surz Ronald J. (2006). A Fresh Look at Investment Performance Evaluation, *Journal of Portfolio Management*, 54-65.
20. Treynor, L. (1966). How to rate Management Investment Funds, *Harvard Business Review*, 43.

Date: - 3rd August, 2017

To,

The Dean, COBMEC

Mody University

Lakshmangarh, Sikar

Rajasthan- 332311

Subject: - Leave application

Respected sir,

I, Meena Sharma, Ph.D. student of COBMEC. Wish to take leave for twenty days. (from 4th August 2017 to 23rd August 2017). Suffering with skin problems for a year. For that I am going to my home town for further treatment. So, Request to you Kindly give me the permission for the above mention days.

Thanking You.

Yours sincerely

M Sharma

Meena Sharma

(Ph.D student)

COBMEC

She may be permitted.
03/8/17

OK
3/8/17

Noted.
03/8/17